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ABSTRACT

Researchers examined Massachusetts voters' reactions to Proposition 2 1/2--which severely restricts local governments' ability to raise money for local public services--through a statewide telephone survey of 1,561 household heads in 58 towns. Data were gathered on each respondent's vote on the proposition, sex, age, education, occupation, income, marital status, race, home ownership, tax burden, use of public services, and other demographic characteristics as well as on knowledge about and attitudes toward Proposition 2 1/2, public finances, taxes, and the level, efficiency, and beneficiaries of public services. Cross-tabulation of the data indicates, among other things, that preference for smaller public sector accounts for only some of the favorable vote on Proposition 2 1/2; that "yes" voters both preferred tax reform and expected Proposition 2 1/2 to accomplish it; and that expectations of reduced governmental waste, inefficiency, and corruption, especially at the local government level, explain a large proportion of the vote favoring the proposition. Three appendices describe the sampling plan, outline the interview schedule, and present the sample's demographic characteristics. (RW)

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Proposition 2½: Explaining the Vote

by Helen F. Ladd
and
Julie Boatright Wilson

Research Report
R81-1

April 1981

John F. Kennedy School of Government

Harvard University
Cambridge, Massachusetts

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PROPOSITION 2½:
EXPLAINING THE VOTE

Helen F. Ladd
and
Julie Boatright Wilson

Program in City and Regional Planning
John F. Kennedy School of Government
Harvard University

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INTRODUCTION

On November 4, 1980, Massachusetts voters passed Proposition 2½ by a 59 to 41 percent majority. Proposition 2½ severely restricts the ability of Massachusetts cities and towns to raise money for local public services. This initiative law requires communities to reduce property taxes by at least 15 percent per year until they reach the maximum allowable rate of 2½ percent of full cash value. Communities with effective tax rates currently below 2½ percent are allowed to raise taxes, but by no more than 2½ percent per year. In addition, Proposition 2½ reduces the auto excise tax rate from $66 to $25 per $1,000 of valuation. Together, these provisions mean that tax revenues available to Massachusetts cities and towns in fiscal year 1982 will be approximately $557 million less than in 1981, and that all cities and most large towns will experience revenue reductions of at least 15 percent during the first year.[1]

Proposition 2½ also removes fiscal autonomy of school committees, ends binding arbitration for police and fire personnel, prohibits the state from mandating programs without providing funds, and allows renters to deduct one-half of their rent payments from their state taxable income.

Proposition 2½'s success at the polls raises many questions. What were the voters trying to say? Did they want fewer public services? Or did they think spending could be cut without service reductions? Did they want to shift away from an overburdened property tax to other revenue sources? Or did they want lower taxes? Was the vote a protest

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[1] The revenue loss estimates are based on figures released on March 6, 1981 by the Massachusetts Department of Revenue as reported by the Boston Globe (March 7, 1981). Of the $557 million revenue loss, $225 million represents the loss in excise tax revenues and $332 million the net reduction in property tax revenues. Property tax collections during fiscal year 1981 were approximately $3.3 billion.

against government inefficiency? If so, were people protesting inefficiency in local or state government, or both?

Unlike California at the time Proposition 13 was passed, Massachusetts has no state budget surplus available as a source of new state aid for local government. This makes the policy choices in Massachusetts particularly difficult. Should the state government bail out the cities and towns? If so, should the money come from increases in state taxes or reductions in other state expenditures? Or should state officials interpret the vote on Proposition 2½ as a protest against local government alone and leave these governments to fend for themselves?

To answer these questions, we conducted a statewide survey during the two weeks immediately following the November election. This paper reports the first set of survey results. Our findings should contribute to the current policy debate by helping policy makers interpret the vote on Proposition 2½ and better understand what Massachusett's citizens want in the way of changes in service levels, tax reform, and government operations.

The survey consisted of half-hour telephone interviews conducted by a professional survey research firm. The sample includes 1,586 male and female household heads randomly selected from 58 Massachusetts cities and towns. These communities were chosen randomly from groups of relatively homogeneous cities and towns. Our sampling design assures that the 58 communities are representative of cities and towns throughout the state in terms of per capita property wealth, per capita expenditures, population, and percent of owner-occupied housing (see appendices A, B, and C).

The study is divided into three sections. Section I focuses on respondents' knowledge of and expectations about the effects of Proposition 2½ at the time of the election. Results in this section show what voters thought they were voting for. Section II examines the changes Massachusetts citizens would like to see in service levels, taxes, and the way government operates, independent of Proposition 2½. In Section III, we combine the results from Sections I and II to explain what motivated people to vote for or against the Proposition.

SUMMARY

We report results for three categories of people: total respondents, "yes" voters, and "no" voters. "Yes" voters are those who said they voted in favor of Proposition 2½. "No" voters are those who said they voted against it. "Total respondents" include "yes" and "no" voters and those who did not vote on the Proposition. Our sample includes 1586 respondents, of whom 721 are "yes" voters and 522 are "no" voters.

We restricted the sample to heads of households (both male and female). Consequently, our "yes" voters and "no" voters are representative of heads of households supporting or opposing Proposition 2½, rather than of all "yes" and "no" voters. Among the respondents who said they voted on Proposition 2½, 58 percent voted for and 42 percent voted against it. These percentages are very similar to the actual vote; 59 percent voted for and 41 percent voted against Proposition 2½.

We report results relating to three major policy topics: size of public sector (defined by service levels), tax reform, and government operations. For each topic, we focus on what changes respondents want and what they expected Proposition 2½ to accomplish.

Massachusetts residents are generally content with their pre-Proposition 2½ levels of services. On average, respondents want to keep state-provided services at current levels and to increase local services somewhat. When asked about specific services, a majority of respondents want to increase such services as mental health programs, elderly services, and special education for children with learning problems. Only in the case of welfare do a majority of respondents support service reductions.

Most respondents recognized that Proposition 2½ would require reductions in public services. More than half, however, thought that basic municipal services such as police protection, fire protection, and garbage pick-up would <u>not</u> be cut. "Yes" voters were less likely than "no" voters

to expect service reductions because of Proposition 2½. Only a third of the "yes" voters, in contrast to two-thirds of the "no" voters, expected cutbacks in the services used regularly by their household.

Most Massachusetts residents want to retain the property tax as the major source of revenue for traditional municipal services such as police and fire protection. Many, however, would like to reduce reliance on the property tax for financing other services such as local public transportation and special education. Among those who want a greater share of revenues for particular services to come from state taxes, respondents overwhelmingly prefer state income to state sales taxes. For several local public services, many "yes" voters would like to see heavier reliance on user charges.

Nine in ten "yes" voters expected property taxes in Massachusetts to go down because of Proposition 2½. While many expected these property tax reductions to be offset in part by higher state taxes, 6 in 10 of the "yes" voters expected the overall taxes paid by their household to go down. "No" voters were less optimistic. Only 2 in 3 "no" voters expected property taxes to fall and less than 2 in 5 expected the overall taxes paid by their households to go down. "Yes" voters were more likely than "no" voters to expect additional state aid for local governments, but, unlike the "no" voters, did not expect Proposition 2½ to lead to more control over local matters.

Respondents think Massachusetts government is both inefficient and corrupt, particularly state government. Seventy-three percent of all respondents think spending by state government could be cut back by 15 percent or more without affecting the quality or quantity of services provided and 88 percent of the respondents believe that corruption is common in state government. Attitudes toward local governments are sim-

ilar; 60 percent of all respondents think spending by their local government can be cut by 15 percent or more without affecting the quality or quantity of services provided, and 63 percent believe that corruption is common in their local government. "No" voters are most concerned about inefficiency and corruption in the state government. "Yes" voters are concerned about these problems in both state and local government.

"Yes" voters and "no" voters had very different expectations about whether Proposition 2½ would change the way government operates. More than 4 in 5 "yes" voters--compared to only 2 in 5 "no" voters--expected Proposition 2½ to reduce inefficiency and corruption in Massachusetts government. This finding helps explain how "yes" voters were able to reconcile expected reductions in spending and taxes with expectations of minimal service cutbacks.

The issue of government inefficiency and corruption most clearly differentiates "yes" from "no" voters. Seventy-five percent of the "yes" voters--in contrast to 32 percent of the "no" voters--both perceive inefficiency and corruption and expected Proposition 2½ to improve the situation. Preferences and expectations about the size of the public sector also differentiate "yes" from "no" voters, but are less important in explaining the favorable vote since so few voters want to reduce public services. Finally, most Massachusetts residents want tax reform. Since views about tax reform differ only slightly between "yes" and "no" voters, however, the issue of tax reform does not explain why some voted for and others against Proposition 2½.

Section I

KNOWLEDGE AND ANTICIPATED EFFECTS OF PROPOSITION 2½

How much did people know about Proposition 2½ at the time of the election? The variety of separate provisions may have confused voters. Did they understand that Proposition 2½ reduced local but not state taxes? Did they know that it ended school committee autonomy and binding arbitration for policemen and firemen?

Even more important, what did people think the effects of Proposition 2½ would be? Did they expect it to lead to service cutbacks? If so, in what areas? Did they anticipate lower overall taxes, or just lower property taxes? Finally, did voters expect Proposition 2½ to make government more efficient and less corrupt? Answers to these and similar questions are important in understanding why people voted for or against Proposition 2½.

A. Knowledge of Provisions Included in Proposition 2½

Widespread publicity assured that most people had heard of Proposition 2½ before the November 4, 1980 election. We find, however, that people differed in their knowledge of the proposition's provisions.[1]

More than three in four respondents thought correctly that the proposition included provisions about property taxes, excise taxes, and rent reductions. Sixty percent of the respondents thought the measure ended binding arbitration and reduced the power of school committees. In all of these cases, "yes" voters appear to have been slightly more knowledgeable than "no" voters. Table I-1 summarizes these findings.

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1. We restricted knowledge and awareness questions to our first 501 interviews because of the length of our survey and our fear that post-election publicity would bias respondents' recollections. This smaller sample is similar to the complete sample, but slightly overrepresents towns and women. For a comparison of the demographic characteristics of the two samples, see Appendix C.

The most surprising finding is that 60.6 percent of the total and 69.6 percent of those voting "yes" stated incorrectly that Proposition 2½ limits state government taxes and spending. This confusion may reflect respondents' expectations about how the state legislature would respond to Proposition 2½ (see Section I-C), their misperceptions about which services are financed by property taxes (see Section II-D), or their desires to reduce state as well as local taxes and spending (see Section II-B). Whatever the reason, the finding is important; it shows that many people expected Proposition 2½ to limit state government as well as local government taxes and spending.

The following sections discuss what respondents expected the effects of Proposition 2½ to be on public services, state-local relations, government operations, and the economic climate of the state.

B. Anticipated Cuts in Public Services Due to Proposition 2½

Local Public Services. Most respondents recognized that Proposition 2½ would require reductions in the public services available in their communities. More than half, however, thought that basic municipal services such as police protection, fire protection and garbage pick-up would not be cut.

As shown below, 69 percent of the total sample anticipated that local community services would be cut back either a lot or a little. People voting against the measure were more pessimistic than those voting in favor. Eighty-five percent of the opponents, compared with only 60 percent of the proponents, expected local services to be cut; and nearly six times as many opponents as proponents thought Proposition 2½ would force their communities to cut back local services a lot (46.1% vs. 8.1%).

Table I-1

KNOWLEDGE OF THE PROVISIONS INCLUDED IN PROPOSITION 2½[a,b]

By Vote on Proposition 2½

Proposition 2½:	Total	Vote on Proposition 2½ Yes	Vote on Proposition 2½ No	Difference: Vote Yes Minus Vote No
Limits Property Taxes to 2½% of Market Value				
Included	80.4%	85.7%	75.0%	+10.7%
Not included	15.1	12.1	18.6	
Don't know	4.5	2.2	6.4	
Cuts Auto Excise Taxes				
Included	84.5	91.3	86.0	+ 5.3
Not included	12.5	7.4	12.8	
Don't know	2.9	1.3	1.2	
Allows Tenants to Deduct Half of Their Annual Rent in State Income Tax Returns				
Included	75.3	79.1	72.7	+ 6.4
Not included	15.1	12.6	18.0	
Don't know	9.6	8.3	9.3	
Limits State Goverrment Taxes and Spending				
Included	60.6	69.6	46.5	+23.1
Not included	34.7	28.3	48.3	
Don't know	4.7	2.2	5.2	
Ends Binding Arbitration For Policemen and Firemen				
Included	61.0	63.9	61.6	+ 2.3
Not included	26.9	25.2	27.3	
Don't know	12.2	10.9	11.0	
Takes Away the Power of School Committees To Set School Budgets				
Included	60.8	63.0	64.5	- 1.5
Not included	31.2	31.3	27.3	
Don't know	8.0	5.7	8.1	

[a]Based on the question: "Now I'd like to talk to you about Proposition 2½. As you probably know, Proposition 2½ contains a number of provisions. Other people we have talked to told us what they think is included. I'd like to read you some statements and have you tell me, based on everything you have heard or read, whether you think each of these is included or not included in Proposition 2½. Does Proposition 2½..."

[b]This table is based on a sample of 501 interviews. See Appendices B and C.

ANTICIPATED EFFECTS OF PROPOSITION 2½ ON COMMUNITY SERVICES

	Services in my community will be:				
	Cut back a lot	Cut back a little	Remain the same	Increased a little	Increased a lot
Total Respondents	23.2%	46.0	25.8	4.0	1.0
Voted yes	8.1%	52.6	35.1	3.6	0.6
Voted no	46.1%	39.5	11.4	2.3	0.8

Specific Services. To determine expectations about specific services, we asked respondents how they thought Proposition 2½ would affect each of fifteen services. The services include traditional municipal services (police, fire, street repair, garbage pickup, parks and public transportation), locally financed education services (elementary and high school education, after-school programs, special education and adult education), human resources services (mental health services, elderly services, and colleges), courts and judges, and welfare or other public assistance programs.

Most respondents thought basic security services would not be affected by Proposition 2½.

- Fewer than half the respondents thought Proposition 2½ would force cuts in basic municipal services such as police protection (43.3%), fire fighting (40.7%), and regular garbage pick-up (39.6%).
- Only one in three respondents expected cuts in legal services.

In contrast, more than half the respondents expected Proposition 2½ to result in cutbacks in seven of the fifteen services.

- Many respondents expected cutbacks in locally financed education services, particularly after-school programs (71.4%), adult education (63.9%) and public elementary and high school education (56.4%).
- Slightly more than six in ten respondents (62.9%) thought welfare and other public assistance programs would be cut back.
- A majority of the respondents expected three of the traditional municipal services to be cut back -- public parks and recreation

Table I-2

PERCENTAGE OF RESPONDENTS EXPECTING SERVICE CUTBACKS BECAUSE OF PROPOSITION 2½[a,b]

By Vote

Service Type	Total Respondents	Vote on Proposition 2½ Yes	No
Municipal Services			
Police	43.3 %	28.2 %	64.7 %
Fire fighting	40.7	25.8	62.6
Street & sidewalk repairs	57.2	47.2	73.8
Regular garbage pickup	39.6	31.0	53.5
Local public parks and recreation	61.5	53.4	77.0
Support of local public transportation	54.1	46.9	65.7
Local School-related Services			
Public elementary and high school education	56.4	45.1	77.7
After school programs	71.4	65.9	82.1
Special education	49.9	37.4	69.6
Adult education	63.9	60.8	77.6
Human Resources Services			
Mental health programs	49.0	38.3	66.8
Services for the elderly	48.7	33.5	71.4
State and community colleges and universities	54.4	48.9	63.3
Legal Services			
Courts and judges	31.7	25.0	37.9
Public Assistance			
Welfare or other public assistance	62.9	64.7	64.9
Local services	69.3	60.8	85.6
Services my household uses	47.8	35.0	67.1

[a,b] Footnotes on following page.

[a]Based on the questions:
"Now that Proposition 2½ has passed, what do you think will happen to services I read. Using the first list of phrases tell me whether you think there will be a lot less, a little less, the same, a little more or a lot more ("X'd ITEM) services now that Proposition 2½ has passed?"

"Overall, how do you think the passage of Proposition 2½ will affect your community--do you think the services your local government offers will be cut back a lot, cut back a little, remain the same, increase a little or increase a lot?"

"How about you and members of your household? Now that Proposition 2½ has passed, do you think the public services your household uses will be cut back a lot, cut back a little, remain the same, increase a little, or increase a lot?"

[b]Each entry is the percentage of respondents who think there will be a lot less or a little less of that particular service or who think that community or household services will be cut back a lot or cut back a little. Percentages are based on those responding to the question.

facilities (61.5%), street and sidewalk repairs (57.2%), and support for local public transportation (54.1%).

Opponents and supporters anticipated very different results from Proposition 2½. With one exception, supporters were much less likely than opponents to expect Proposition 2½ to force cutbacks in each of the fifteen services we included. The exception is welfare and related public assistance programs, for which over 60 percent of each group expected program cutbacks. (See Table I-2).

A majority of "yes" voters anticipated cutbacks in only three other services -- after-school programs, adult education and support of local public transportation. In sharp contrast, more than half of the "no" voters thought Proposition 2½ would force cutbacks in all other services except courts and judges. More than two-thirds of the "no" voters expected reductions in :

- locally financed education services, such as after-school programs (82.1%), public elementary and high school education (77.7%), adult education (77.6%), and special education (69.6%),
- traditional municipal services, such as street and sidewalk repairs (73.8%), and local public parks and recreation facilities (77.0%); and
- social service programs such as services for the elderly (71.4%) and mental health programs (66.8%).

Services Used by Respondent's Household. Some have interpreted the the favorable vote on Proposition 2½ as an expression of Massachusetts' voters willingness to sacrifice public services in return for lower taxes.

Although there may be some truth to this interpretation, many "yes" voters appear to have thought that someone else's services, not their own, would be the ones cut back. When asked how Proposition 2½ would affect the services used by their household, 65 percent of the supporters -- in contrast to 33 percent of the opponents -- said Proposition 2½ would leave them as well off or better off than before in terms of public services. Stated differently, only one in three supporters compared to two in three opponents anticipated cuts in the services used regularly by their household.

ANTICIPATED EFFECTS OF PROPOSITION 2½ ON SERVICES RESPONDENT'S HOUSEHOLD USES

By Vote on Proposition 2½

	Services my household uses will be:				
	Cut back a lot	Cut back a little	Remain the same	Increased a little	Increased a lot
Total Respondents	9.6%	38.2	47.6	3.2	1.3
Voted yes	2.2%	32.8	62.2	2.4	0.4
Voted no	19.0%	48.2	29.8	1.6	1.6

Note: Percentages add to 100 across each row.

C. Anticipated Tax Changes Due to Proposition 2½

Did Massachusetts residents think the reduction in property taxes promised by Proposition 2½ would reduce their overall tax burdens? Or did they think that increases in other taxes would leave their total tax burdens no lower than before?

Tax Burden on Household. Nearly half the respondents (49%) thought the taxes paid by their household would decrease. Supporters of Proposition 2½ were much more optimistic than opponents. Sixty-one per cent of those who voted "yes" compared to only 36 percent of those who voted "no" expected their household taxes to go down.

ANTICIPATED EFFECTS OF PROPOSITION 2½ ON RESPONDENT'S TAXES

	Taxes paid by my household will be:				
Total Respondents	A lot less 10%	A little less 39	Same amount 31	A little more 15	A lot more 5
Voted yes	14%	47	28	9	2
Voted no	5%	31	35	21	8

Note: Percentages add to 100 across each row.

Statewide Tax Effects. Differing expectations about statewide tax impacts help explain the differing expectations about household tax impacts. Supporters were much more likely than opponents to believe that local property taxes in Massachusetts would fall. Moreover, supporters were also less likely to believe that Proposition 2½ would lead to higher state income or sales taxes. It should be noted that 54 percent of the "yes" voters expected state income taxes to increase, and an even larger percentage expected state sales taxes to increase. The "yes" voters apparently thought that any rise in their own state income or sales tax burdens would be more than offset by the reduction in their own property tax burdens. The "no" voters were more pessimistic.

PERCENTAGE AGREEING A LOT OR A LITTLE WITH STATEMENTS ABOUT POSSIBLE EFFECTS OF PROPOSITION 2½ ON TAXES AND TAX REFORM

By Vote on Proposition 2½

Proposition 2½ will:	Total Respondents	Vote on Proposition 2½ Yes	Vote on Proposition 2½ No	Difference: Vote yes minus vote no
...lower property taxes in Massachusetts	82.1%	92.1%	67.6%	+24.5%
...increase Massachusetts state income taxes	60.8	53.5	74.8	-21.3
...increase state sales taxes	67.5	62.2	81.3	-19.1

Tax Reform. Most of the respondents expected Proposition 2½ to encourage the legislature to "reform taxes." Overall, 81 percent of the respondents expected to get tax reform; 91 percent of the "yes" and 69 percent of the "no" voters expected this outcome. But these results are difficult to interpret because we do not know what people meant by "tax reform." At a minimum, respondents appeared to mean property tax reduction, with some, but not all, including in the definition an offsetting increase in other taxes. Many of the "no" voters seemed to be worried that, instead of tax reform, the outcome would be higher overall taxes. In Sections II and III, we will explore the topic of tax reform in more detail.

PERCENT AGREEING A LOT OR A LITTLE

THAT PROPOSITION 2½ WILL ENCOURAGE THE LEGISLATURE TO REFORM TAXES

By Vote on Proposition 2½

	Total Respondents	Vote on Proposition 2½		Difference: Vote yes minus vote no
		Yes	No	
Proposition 2½ will encourage state legislature to reform Massachusetts taxes	81.1%	91.3%	68.7%	+22.6%

D. Anticipated Changes in Local-State Relations Due to Proposition 2½

Supporters and opponents of Proposition 2½ also had very different expectations about the impact of the tax limitation measure on the relationship between state and local governments. Many supporters believed that the state would provide new aid to the cities and towns. Opponents, on the other hand, believed that increases in state income or sales taxes would simply allow the state to expand into areas traditionally left to local governments.

Fifty-six percent of the "yes" voters expected the state to increase aid to cities and towns, but only 34 percent anticipated more state control over local matters. In striking contrast, only 39 percent of the "no" voters expected more state aid while 61 percent anticipated more state control.

PERCENT AGREEING A LOT OR A LITTLE WITH STATEMENTS
ABOUT POSSIBLE EFFECTS OF PROPOSITION 2½ ON TAXES AND ON TAX REFORM
By Vote on Proposition 2½

Proposition 2½ will:	Total Respondents	Vote on Proposition 2½ Yes	No	Difference: Vote yes minus vote no
Increase state aid to cities and towns	48.7%	55.6%	37.8%	+17.8%
Give state government more control over local matters	45.8	33.6	60.7	-27.1

E. Anticipated Changes in Government Operations Due to Proposition 2½

Will local government operate differently? "Yes", said the supporters. Local voters will have more control over school spending and local governments will be more efficient. "Probably not", said the opponents.

Although Proposition 2½ ends fiscal autonomy of school committees, the provision's effects on voter control are uncertain. Even with fiscal autonomy intact, voters exerted some control over school committees through the election of school committee members. The question is whether voters will exert more control when school budget decisions come under the scrutiny of city councils or town meetings. Eighty-six percent of the supporters of Proposition 2½ expected this would happen. Opponents were less sure; only 52 percent of them expected more voter control.

More than 4 out of 5 "yes" voters thought Proposition 2½ would make local government more efficient. Supporters apparently believed that the removal of school-committee autonomy, plus the reduction in available tax revenues would force government to be more productive. "No" voters were more skeptical: three out of five disagreed with the view that Proposition 2½ would make local government more efficient.

PERCENT AGREEING A LOT OR A LITTLE WITH STATEMENTS ABOUT POSSIBLE EFFECTS OF PROPOSITION 2½ ON LOCAL VOTER CONTROL AND GOVERNMENT EFFICIENCY

By Vote on Proposition 2½

Proposition 2½ will:	Total Respondents	Vote on Proposition 2½ Yes	No	Difference: Vote yes minus vote no
Give local voters more control over school spending	70.8%	85.8%	51.8%	+34.0%
Make local government more efficient	65.2	84.8	38.4	+46.4

F. Anticipated Changes in the State Economic Climate Due to Proposition 2½

Almost 3 out of 4 Massachusetts residents polled expected Proposition 2½ to make the state more attractive to business and industry. People believing this were more likely than others to expect Proposition 2½ to lower property taxes and make local government more efficient. They were also less likely to believe that state taxes would be increased. This suggests that Massachusetts residents believe lower property taxes will attract business and industry, provided that the lower property taxes are not offset by new state taxes. As discussed above, "yes" voters were more likely than "no" voters to expect this tax outcome. Thus, it is not surprising that "yes" voters were more likely than "no" voters to expect Proposition 2½ to lead to increased business investment in the state (87.5% vs. 54.4%).

PERCENT AGREEING A LOT OR A LITTLE THAT PROPOSITION 2½
WILL ATTRACT MORE BUSINESS AND INDUSTRY TO MASSACHUSETTS

By Vote on Proposition 2½

	Total Respondents	Vote on Proposition 2½ Yes	No	Difference: Vote yes minus vote no
Proposition 2½ will attract more business and industry to Massachusetts	73.6%	87.5%	54.4%	+33.1%

G. Most Important Changes Anticipated to Result from Proposition 2½

In addition to the questions previously discussed, respondents were asked: "Overall, what do you think will be the single most important change caused by Proposition 2½?" This open-ended format allowed respondents to state their views without the constraints of predetermined categories. Although we asked for the single most important change only, some respondents gave us more than one. Hence, total responses add to more than 100 percent, averaging about 1.3 responses per person.

Responses to this question reinforce our earlier findings that proponents of Proposition 2½ expected fewer service cuts and greater tax reductions than opponents. In their responses to this open-ended question, supporters of Proposition 2½ were more likely to focus on anticipated tax relief, while opponents were primarily concerned about the possibility of service cutbacks. Large proportions of "yes" voters cited lower taxes or more government efficiency and responsibility. Less than 10 percent of these voters cited service cutbacks as the most likely outcome. In contrast, half the "no" voters mentioned service cutbacks as the most important change, well over twice the number who mentioned lower taxes or increased efficiency. (See Table I-3).

This difference in emphasis on the part of supporters and opponents also emerges from other responses to this question.

- Eighteen percent of the "yes" voters -- compared with only 3% of the "no" voters -- said Proposition 2½ would "send a message to the legislature." Although the exact nature of the intended message is not clear from the responses to the open-ended question, our findings on people's attitudes toward Massachusetts government suggest voters are saying: "We want more efficient, less corrupt government." (See Section III for more discussion).
- Supporters of Proposition 2½ were slightly more likely than opponents to mention tax reform as the most important outcome, while opponents were more likely to mention tax shifts. We noted earlier that "tax reform" is an ambiguous concept but probably means reduced taxes to many respondents. (See Section III for more discussion).
- Ten percent of the opponents of Proposition 2½ -- in contrast to one percent of the supporters -- expressed greatest concern about unemployment of public employees.

Further emphasizing the difference between supporters and opponents are the views of many opponents that Proposition 2½ will not work.

- Four times as many opponents as proponents thought Proposition 2½ would just cause problems and would not achieve the goals of its supporters (19.4% vs. 4.7%).

Table I-3

PERCEPTIONS OF MOST IMPORANT IMPACT OF PROPOSITION 2½[a]

By Vote on Proposition 2½

	Total Respondents	Vote on Proposition 2½ Yes	No	Difference: Vote yes minus vote no
Lower Taxes	28.6%	37.5%	13.6%	+23.9%
More efficiency & responsibility, less corruption	20.2	30.9	8.4	+22.5
Cutback services	24.3	8.0	50.2	-42.2
Send a message	11.0	17.8	2.9	+14.9
Tax reform	6.3	8.2	5.4	+ 2.8
Tax shift	6.4	4.7	10.3	- 5.6
Unemployment of government workers	4.1	0.8	9.6	- 8.8
Government will spend less	6.3	7.8	5.0	+ 2.8
More investment in state	2.2	3.5	1.0	+ 2.5
Less power for school committees	3.3	5.4	1.3	+ 4.1
Less control at local level	0.9	0.3	1.9	- 1.6
Won't work/cause problems	11.2	4.7	19.4	-14.7
TOTAL	124.8	129.6	129.0	
Average number of responses per person	1.2	1.3	1.3	

[a]Based on the question: "Overall, what do you think will be the single most important change caused by Proposition 2½?" Percentages are based on those responding to the question.

Section II

DESIRED CHANGES IN SERVICE LEVELS, TAXES AND GOVERNMENT OPERATIONS

We now turn to the issue of what Massachusetts residents want in the way of changes in service levels, financing arrangements, and government operations. In November 1980, state residents were given the choice of supporting or rejecting one alternative to the status quo. Massachusetts voters overwhelmingly opted for change. Section I described what respondents thought the effects of Proposition 2½ would be. But are those anticipated effects what Massachusetts residents really want? What level of state and local services do they want? How do they want to finance various services? What changes do they want in state and local government operations?

A. Preferred Level of State and Local Services

Overall state and local services. Massachusetts residents are generally content with the levels of public services they have been receiving. On average, respondents to this survey want to keep overall state government services at their pre-Proposition 2½ levels and to increase local services somewhat.

This average, however, conceals wide variation in respondents' preferences, especially with regard to state-provided services. While 25.9 percent of the respondents want to maintain state services at current levels, 35.4 percent want more, and another 38.7 percent want less. Preferences for local services exhibit slightly less variation, with nearly 7 in 10 respondents wanting either the current amount or slightly more.

LEVEL OF STATE AND LOCAL SERVICES PREFERRED

	Cut back a lot	Cut back a little	Keep the same	Increase a little	Increase a lot	Average[a]
State Services	11.3%	27.4%	25.9%	25.4%	10.0%	-0.50
Local Services	3.7	16.0	43.9	25.5	11.0	+0.24

[a]Based on a 5-point scale in which -2 = cut back a lot, -1 = cut back a little, 0 = keep the same, +1 = increase a little, +2 = increase a lot. Percentages add to 100 across each row.

Supporters of Proposition 2½ are more likely than opponents to want cutbacks in state and local services. Half the supporters -- compared with only a quarter of the opponents -- want to cut back state services. A third of the supporters -- compared to less than a tenth of the opponents -- want to cut local services.

PERCENTAGE WANTING TO CUT SERVICES A LOT OR A LITTLE

By Vote on Proposition 2½

	Total Respondents	Vote on Proposition 2½ Yes	Vote on Proposition 2½ No	Difference: Vote yes minus Vote no
State Services	38.7%	53.7%	25.3%	+28.4%
Local Services	19.7	30.4	8.9	+21.5

Specific Services. This apparent satisfaction with the overall amount of state and local services obscures the fact that respondents prefer increases in some services and decreases in others. Respondents were read a list of fifteen state and local services and asked whether they would prefer a lot more, a little more, the same amount, a little less or a lot less of each. They were told that increases in services would mean higher taxes and that decreases in services would mean lower taxes.

For every service except welfare, more respondents want to increase

Table II-1

AMOUNT OF SERVICES PREFERRED[a,b]

By Vote on Proposition 2½

	Cut back a lot	Cut back a little	Keep the same	Increase a little	Increase a lot
MUNICIPAL SERVICES					
Police	3.3%	7.6%	55.1%	21.0%	13.1%
Voted yes	4.5	10.2	60.4	16.6	8.4
Voted no	1.0	4.6	53.6	24.8	16.1
Fire	2.5	6.5	71.1	12.7	7.2
Voted yes	3.0	10.0	75.9	7.6	3.6
Voted no	1.2	3.9	68.1	17.5	9.3
Street Repairs	3.9	6.1	50.1	22.9	17.0
Voted yes	5.5	8.4	52.8	20.8	12.6
Voted no	2.4	3.0	51.5	24.0	19.1
Garbage Pickup	5.3	7.6	73.1	8.2	5.8
Voted yes	7.7	10.9	72.4	5.8	3.2
Voted no	3.5	4.8	76.0	10.0	5.7
Parks & Recreation	3.6	10.2	53.1	21.4	11.7
Voted yes	5.5	13.4	55.4	17.1	8.6
Voted no	2.0	7.2	49.5	26.9	14.4
Local Public Transportation	11.9	9.8	28.9	23.3	26.0
Voted yes	16.7	12.5	28.2	23.3	19.2
Voted no	8.8	8.1	27.6	24.2	31.4
LOCAL SCHOOL-RELATED SERVICES					
Public Elementary & High School Education	4.1	13.0	44.3	22.3	16.3
Voted yes	6.0	17.4	49.6	17.2	9.7
Voted no	1.6	8.8	41.3	26.3	22.0
After school programs	7.6	15.2	46.2	16.7	14.3
Voted yes	11.1	20.2	47.4	13.2	8.1
Voted no	3.5	10.2	46.8	19.4	20.2
Special Education	3.5	7.6	34.0	27.3	27.6
Voted yes	4.6	11.1	38.4	25.2	20.7
Voted no	2.0	5.5	32.3	29.5	30.7

(continued)

Table II-1, continued

AMOUNT OF SERVICES PREFERRED[a,b]

By Vote on Proposition 2½

	Cut back a lot	Cut back a little	Keep the same	Increase a little	Increase a lot
Adult Education	6.4	11.6	54.4	18.1	9.4
Voted yes	9.5	13.8	53.3	17.1	6.4
Voted no	3.9	8.8	58.2	19.3	9.8
HUMAN RESOURCES SERVICES					
Mental Health Programs	3.7	5.8	40.4	28.0	22.1
Voted yes	5.6	6.7	44.3	25.0	18.3
Voted no	1.9	5.3	34.3	32.1	26.4
Services for the Elderly	1.4	4.6	39.5	29.0	25.6
Voted yes	2.0	6.2	43.8	26.8	21.3
Voted no	0.4	3.4	37.6	32.1	26.5
State & Community Colleges & Universities	5.1	12.6	54.1	17.4	10.8
Voted yes	9.1	15.4	55.1	12.3	8.1
Voted no	1.4	8.7	54.3	23.8	11.7
LEGAL SERVICES					
Courts and Judges	6.5	14.2	46.4	20.7	12.1
Voted yes	9.1	17.4	44.1	18.4	11.0
Voted no	4.0	10.4	46.4	23.1	16.1
PUBLIC ASSISTANCE					
Welfare or other Public Assistance	27.9	26.7	28.7	11.0	5.7
Voted yes	37.8	30.1	23.0	5.8	3.2
Voted no	17.0	25.0	35.7	15.2	7.2
Local Services	3.7	16.0	43.9	25.5	11.0
Voted yes	6.3	24.2	44.8	17.3	7.4
Voted no	1.2	7.8	44.8	32.2	14.2
State Services	11.3	27.4	25.9	25.4	10.0
Voted yes	16.9	36.8	23.1	18.0	5.2
Voted no	6.3	19.6	27.6	32.6	13.9

[a] Based on the question: "Think about the services provided by the state or local government to residents of your town or city. For each service I read, please tell me whether state or local government should be providing a lot less, a little less, the same amount, a little more or a lot more of this service. Remember, if government provides less services state or local taxes will be reduced, and if government provides more services, state or local taxes will be increased. If the service is not available to residents in your city or town, please let me know. Let's begin with ("X'd" ITEM). Which phrase in the first list describes how much more or less ("X'd" ITEM) state or local government should provide?"

[b] Percentages are based on those responding to the question & total 100% across each row.

than decrease service levels. As Table II-1 illustrates:

- At least half the respondents want to increase the amount of services provided by social programs, such as elderly services, mental health programs, and special education for children with learning problems.
- Between 40 and 50 percent want to increase such traditional municipal services as police, street and sidewalk repairs, and support of public transportation.
- Almost 40 percent want to increase public elementary and high school education services.
- Over 50 percent want to decrease welfare or other public assistance. This is the only service of the 15 measured for which cutbacks were strongly supported.

Current users of the various services, younger respondents, lower income respondents, blacks, and renters are most likely to want greater amounts of almost all of the 15 services measured. Residents of cities are more likely to want service increases than residents of towns. Boston residents want even greater increases in their services than do residents of other cities. (Table not reported).

Preferences of "Yes" Voters vs. "No" Voters. Massachusetts residents in general express little interest in cutting back specific public services, except welfare services. Supporters of Proposition 2½, however, are slightly more interested than opponents in cutting back public services (see Table II-1). A greater proportion of "yes" than "no" voters express interest in cutting back each of the specific services. Yet even among "yes" voters, support for service cuts is not very strong. Welfare is the only public service which

a majority of supporters want to cut. Among the supporters:

- Two out of three want to decrease welfare and other public assistance programs.
- Only one in four wants to cut education services, such as after school programs, public elementary and high school education, adult education, and state and community colleges and universities.
- Only three in ten want to reduce support for local public transportation.
- Only one in four wants to cut back the services of courts and judges.

Few "no" voters want to cut any of the specific services measured, except welfare. In fact, opponents of Proposition 2½ show considerable interest in increasing the level of public services and want to increase an average of 5.9 of the 15 services measured. Among the opponents:

- More than four in ten want to increase traditional municipal services, including police, street repairs, public parks and recreation, and support for local public transportation.
- At least four in ten want to increase local education services, including public elementary and high school education, after school programs, and special education.
- Nearly six in ten want to increase social services, including mental health programs and elderly services.

B. Amount Massachusetts Residents Are Willing to Spend on Services

In addition to asking about preferred levels of public services, we asked about preferred levels of government spending and taxes. "Compared to what the state government (or local government or local school system) now spends, by what percentage, if any, would you like to see state govern-

ment (or local government or local public school) spending and taxes increase or decrease? You may answer any percent increase or decrease from 1 percent to 100 percent or tell me you want it to stay the same."

Despite wanting about the current level of state, local and educational services, the median respondent[1] wants to reduce spending and taxes. The median or typical respondent wants to cut back state spending 20 percent, cut back local spending 10 percent, and keep school spending at its current level.

DESIRED CHANGES IN TAXING AND SPENDING

	State	Local	School
Median spending change	-20%	-10%	0%
Percent wanting:			
--spending increase	15.9%	12.4%	20.0%
--no change	20.5	27.9	34.8
--spending decrease	62.8	58.6	44.2

Supporters of Proposition 2½ want greater cutbacks in taxes and spending than do opponents. The typical supporter wants a 20 percent reduction in state and local spending and a 10 percent reduction in school spending. The typical opponent wants a five percent reduction in state spending and no change in local spending or school spending.

C. Perceptions of Inefficiency and Corruption in Government

How can respondents' demands for less spending and taxing be reconciled with their apparent wish to maintain or increase services? This section shows that the gap can be explained in large part by residents' demands for more efficient and productive government.

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[1] The median respondent is the middle respondent. In other words, half the respondents want less taxes and spending than the median respondent, and half want more taxes and spending.

We obtained a measure of the extent of perceived government inefficiency and waste by asking respondents how much they think spending can be reduced without significantly affecting the quality and quantity of services provided. The table below shows that respondents think there is more waste in the state budget than in local budgets, and more in overall local budgets than in school budgets. The magnitudes are sufficiently large to account for the discrepancy between the large spending cutbacks desired and desires to maintain or slightly increase service levels.

AMOUNT RESPONDENTS THINK SPENDING AND TAXING CAN BE REDUCED WITHOUT SIGNIFICANTLY AFFECTING THE QUALITY AND QUANTITY OF SERVICES

	State Services	Local Services	Elementary & High School Education
Possible cutback (Average)	24%	19%	13%

Table II-2 summarizes respondents' perceptions of inefficiency for nine of the 15 services. For example, the table shows that 51 percent of the respondents think cuts of 5 percent or more in police budgets would significantly affect police services. Another 27 percent of the respondents disagree; they think police budgets could be cut by 15 percent or more without significantly affecting police services.

In the case of each service, "yes" voters are more likely than "no" voters to believe budgets can be cut substantially without affecting services. Despite the fact that "yes" voters perceive more inefficiency than "no" voters for any given service, the two groups hold similar views about which services are most inefficiently provided.

- Both groups think the greatest cuts can be made in the welfare and public assistance budget.
- Both groups think police, garbage and special education budgets are least amenable to spending cuts without service cuts.

Table II-2

BELIEFS THAT SPENDING CAN BE CUT
WITHOUT AFFECTING THE QUALITY OR QUANTITY OF SERVICES:
POSSIBLE CUTBACKS OF LESS THAN 5 PERCENT/POSSIBLE CUTBACKS OF 15 PERCENT OR MORE[a,b]

By Vote on Proposition 24

Service Type	Total Respondents <5%/≥15%	Vote on Proposition 24 Yes <5%/≥15%	Vote on Proposition 24 No <5%/≥15%
Municipal Services			
Police	51%/27%	44%/33%	61%/17%
Fire fighting	NA	NA	NA
Street & sidewalk repairs	45/36	40/41	52/27
Regular garbage pickup	51/30	51/34	56/23
Local public parks and recreation	NA	NA	NA
Support of local public transportation	NA	NA	NA
Local School-related Services			
Public elementary and high school education	38/37	27/48	51/27
After school programs	42/34	35/40	55/24
Special education	58/22	51/26	66/16
Adult education	31/45	27/50	42/37
Human Resources Services			
Mental health programs	NA	NA	NA
Services for the elderly	NA	NA	NA
State and community colleges and universities	35/40	29/66	45/30
Legal Services			
Courts and judges	NA	NA	NA
Public Assistance			
Welfare or other public assistance	18/67	11/75	25/58
State Services	11/73	6/80	19/63
Local Services	18/60	10/69	30/46

[a,b]Footnotes on following page.

Table II-2, footnotes

[a] Based on the questions: "Now let's talk about some specific services. People we've talked to believe that government could cut back spending on these services by eliminating waste, inefficiency and other problems. By what percentage, if any, do you think government could cut back spending on ("X'd" ITEM) without significantly affecting the quality or amount of services provided?"

"And by what percentage, if any, do you think state government could cut taxes and spending without significantly cutting the amount of services?"

"Overall, by what percentage, if any, do you think your local government could cut taxes and spending without significantly cutting the amount of services?"

[b] Each entry has two numbers. The number to the left of the slash is the percentage of respondents who believe that spending cuts of 5% or more would significantly affect the quality or amount of service provided. The number to the right of the slash is the percentage of respondents who believe spending for that service could be cut by 15% or more without significantly affecting the quality or amount of services provided. Percentages are based on those responding to the question. NA means that the question was not asked.

Inefficiency means different things to different people. To some it means that resources such as worker time and tax money are not being used as productively as possible. To others it means that government resources are being used for the wrong purpose or by people not needing services. A series of attitude questions provide additional information on respondents' views about the extent of inefficiency in Massachusetts government.

Nearly half the respondents think local public employees are overpaid, and two-thirds think that local public employees do not work as hard as their private-sector counterparts. This suggests that many state residents believe their tax money is being wasted. In the same vein, when asked about the recipients of one particularly sensitive service --welfare-- over three in four respondents agree that "people now on welfare could find jobs if they really tried." As the table below shows, supporters of Proposition 2½ are more likely than opponents to believe that the public sector is inefficient according to these definitions.

PERCENTAGE AGREEING A LOT OR A LITTLE THAT GOVERNMENT IS INEFFICIENT

By vote on Proposition 2½

	Total Respondents	Vote on Prop. 2½ Yes	Vote on Prop. 2½ No	Differences: Vote yes minus Vote No
City or town employees are overpaid	47.1%	55.5%	30.9%	+24.6%
City or town employees don't work as hard as people who work for private companies	66.7	76.0	53.4	+22.6
People now on welfare could find jobs if they really tried	78.8	84.8	67.4	+17.4

Corruption also leads to wasteful government. Our respondents overwhelmingly agree that public sector corruption is common in Massachusetts. Eighty-eight percent of the respondents agree that "corruption is common in my state government" and 63 percent agree to a similar statement about local government. Supporters and opponents of Proposition 2½ hold similar views.

PERCENT AGREEING A LOT OR A LITTLE THAT GOVERNMENT IS CORRUPT

By vote on Proposition 2½

	Total	Vote on Prop. 2½ Yes	Vote on Prop. 2½ No	Difference: Vote yes minus Vote no
Corruption is common in my state government	87.8%	89.4%	86.0%	+3.4%
Corruption is common in my local government	63.4	63.3	57.8	+5.5

Finally, to determine whether Massachusetts residents believe that taxes can be cut without lowering service levels, we asked whether they agree with the statement, "Proposition 13 in California showed that taxes can be cut without cuts in services." More than eight in ten supporters of Proposition 2½, in contrast to one in three opponents, agree that Proposition 13 demonstrated that this could be done. It appears that many supporters either ignored or were unaware of the fact that California had a large state budget surplus when Proposition 13 passed.

PERCENT AGREEING A LOT OR A LITTLE THAT TAXES CAN BE CUT WITHOUT SERVICE CUTS

By vote on Proposition 2½

	Total	Vote on Prop. 2½ Yes	Vote on Prop. 2½ No	Difference: Vote yes minus Vote no
Proposition 13 in California showed that taxes can be cut without cuts in services	63.8%	82.4%	34.8%	+47.6%

D. Preferred Method of Financing Services

Do Massachusetts residents want to change the way basic public services are financed? To address this, we asked respondents: "For each service I read, would you like to keep the financing the way it is now or see a greater share of the money come from local property taxes, from state income taxes, from state sales taxes, or a greater share from fees paid by users of the service?" Respondents generally want to continue financing traditional municipal services with property taxes. They show considerable interest however, in shifting the financing of more redistributive services, such as elderly services, to other tax sources. Five general conclusions emerge. (See Table II-3.)

First, Massachusetts residents do not want to eliminate property taxes. Most respondents want to retain the local property tax as the major revenue source for financing traditional municipal services. Between 70 percent and 80 percent of the respondents want to keep financing as it is now or want property taxes to provide a greater share of money for police services, fire fighting services, street and sidewalk repairs, regular garbage pick-up and local public parks and recreation facilities. Thus, in spite of its faults, the property tax is viewed by many as an appropriate way to finance municipal services. This conclusion is reinforced by the fact that 58.9 percent of the sample agree a little or a lot with the statement "The property tax is the best way for cities and towns to raise money for city services."

Second, there is considerable interest in shifting away from reliance on the property tax for education services. More than two out of three people want to reduce the use of property taxes in the financing of special

Table II-3

PREFERRED METHOD OF FINANCING PUBLIC SERVICES[a,b]

By Vote on Proposition 2½

Service Type	Keep Financing the Same	Greater Share of Money Should Come From: Local Property Taxes	State Income Taxes	State Sales Taxes	User Fees	Other Sources
MUNICIPAL SERVICES						
Police	24.4 %	50.7 %	16.6 %	5.2 %	2.2 %	0.9 %
Voted for Proposition 2½	23.6	54.0	13.9	5.6	2.0	0.9
Voted against	27.8	50.8	16.4	3.3	1.2	0.5
Fire Fighting[c]	30.6	51.0	11.6	4.9	1.4	0.5
Voted for Proposition 2½	29.6	57.0	7.4	4.4	0.9	0.7
Voted against	33.9	45.6	15.8	3.5	1.2	0.0
Street & Sidewalk Repairs[c]	30.5	50.8	9.6	6.7	1.8	0.6
Voted for Proposition 2½	30.0	53.9	7.4	6.1	1.3	1.3
Voted against	34.9	49.4	8.1	5.2	2.3	0.1
Regular Garbage Pickup[c]	29.7	41.7	6.4	3.8	17.2	1.2
Voted for Proposition 2½	30.3	40.4	5.3	4.4	18.4	1.2
Voted against	31.1	44.3	5.4	0.6	17.4	1.2
Local Public Parks & Recreation	21.9	49.0	12.2	7.1	8.4	1.4
Voted for Proposition 2½	21.4	49.9	10.5	7.5	9.2	1.5
Voted against	24.5	50.6	13.4	4.7	5.6	1.2
Support of Local Public Transportation	17.3	18.2	23.3	12.4	25.7	3.1
Voted for Proposition 2½	16.6	15.8	20.7	12.6	30.3	4.0
Voted against	17.2	20.2	26.0	11.6	22.4	2.6

(continued)

Table II-3, continued

PREFERRED METHOD OF FINANCING PUBLIC SERVICES[a,b]

By Vote on Proposition 2½

Service Type	Keep Financing the Same	Greater Share of Money Should Come From: Local Property Taxes	State Income Taxes	State Sales Taxes	User Fees	Other Sources
LOCAL SCHOOL-RELATED SERVICES						
Public Elementary and High School Education	20.3%	34.1%	28.4%	8.5%	7.2%	1.5%
Voted for Proposition 2½	19.6	35.4	25.4	8.3	9.9	1.4
Voted against	20.7	34.8	30.4	6.2	4.1	1.8
After School Programs such as Music and Athletics	19.6	39.1	13.3	6.2	20.5	1.3
Voted for Proposition 2½	18.2	39.9	9.1	5.7	25.6	1.5
Voted against	20.7	40.8	15.5	6.0	15.7	1.3
Special Education for Children With Learning Problems	16.9	15.2	48.4	12.1	5.9	1.5
Voted for Propositon 2½	17.1	15.2	46.0	12.6	7.0	2.1
Voted against	18.3	14.6	52.0	10.3	3.7	1.1
Adult Education	19.8	20.3	19.6	6.6	32.4	1.3
Voted for Proposition 2½	19.6	21.4	16.6	6.8	34.2	1.4
Voted against	21.1	21.3	20.1	5.7	30.1	1.7
HUMAN RESOURCES SERVICES						
Mental Health Programs	16.5%	5.4%	57.8%	13.7%	4.8%	1.8%
Voted for Proposition 2½	16.4	5.6	56.5	14.4	5.2	1.9
Voted against	18.2	3.4	60.6	11.9	4.0	1.9
Services for the Elderly[c]	24.3	16.1	42.4	13.1	2.9	1.2
Voted for Proposition 2½	22.3	14.4	39.7	19.2	3.1	1.3
Voted against	28.5	19.2	41.9	8.1	1.7	0.6
State & Community Colleges & Universities	16.5	3.4	46.1	12.0	20.7	1.3
Voted for Proposition 2½	13.6	3.4	44.0	12.3	25.1	1.6
Voted against	20.7	2.2	50.9	10.6	14.2	1.4

(continued)

Table II-3, continued

PREFERRED METHOD OF FINANCING PUBLIC SERVICES[a,b]

By Vote on Proposition 2½

Service Type	Keep Financing the Same	Greater Share of Money Should Come From: Local Property Taxes	State Income Taxes	State Sales Taxes	User Fees	Other Sources
LEGAL SERVICES						
Courts and Judges[c]	25.5	8.9	43.9	9.7	10.5	1.5
Voted for Proposition 2½	26.4	6.5	44.6	13.0	6.9	2.6
Voted against	28.9	11.4	44.6	5.4	9.0	0.7
PUBLIC ASSISTANCE						
Welfare or Other Public Assistance[c]	21.5	7.8	45.6	13.6	8.0	3.5
Voted for Proposition 2½	17.5	7.2	45.3	17.5	7.2	5.3
Voted against	26.4	10.2	44.3	11.4	6.6	1.1

[a]Based on the question: "For each service I read, would you like to keep the financing the way it now is or to see a greater share of the money come from local property taxes, from state income taxes, from state sales taxes, or a greater share from fees paid by users of the service?"

[b]Percentages are calculated for respondents who answered each question, and total to 100% across each row. Percentages are based on those responding to each question.

[c]Asked only of a subsample of respondents.

education services for children with learning problems. This desire for change exists even though respondents undersetimate the extent of current reliance on property taxes. Indeed, although respondents estimate on average that property taxes pay for 42 percent of these expenditures, the actual proportion, as reported by the State Department of Education, is closer to 60 percent.

Less than half the respondents, but still a substantial proportion, also want to alter financing arrangements for the other school-related services included in the survey. Specifically, 45 percent want to decrease the relative reliance on property taxes for overall financing of elementary and secondary education; 49 percent would do so for adult education, as would 41 percent for after-school programs. In the cases of adult education and after-school programs, there is considerable interest in shifting to user charges (32.4% and 20.5% respectively).

Third, at least 40 percent of the respondents want to see state income tax money finance a larger share of human resources services (mental health programs, elderly services and public higher education), courts and judges, and welfare and other public assistance programs. This probably reflects both true interest in seeing such a shift, and some misunderstanding. Respondents generally tend to overestimate the amount of each of these services that is financed by property tax revenues. This is particularly true in the case of legal services and public assistance. Respondents think property taxes finance an average of 36 percent and 39 percent of these services, respectively, when, in fact, almost no contributions are currently made to these services from property taxes.[1]

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[1]Only the subsample of 501 respondents was asked about the proportion of legal services financed by property taxes. See Appendices B and C.

Fourth, supporters and opponents of Proposition 2½ hold similar views about the extent to which property taxes should be used to finance traditional municipal services and local education services. But among those wanting to shift to other revenue sources to finance these services, supporters are more likely than opponents to want to shift to user charges. For example, 30 percent of those who voted "yes" on Proposition 2½ believe a greater share of support for local public transportation should come from users, while only 22.4 percent of the "no" voters hold similar views. "Yes" voters are also more likely than "no" voters to prefer user charges for local public parks and recreation (9.2 percent vs. 5.6 percent); education services (general education, 9.9 percent vs. 4.1 percent; special education, 7.0 vs. 3.7 percent; adult education, 34.2 vs. 30.1 percent and after-school programs, 25.6 percent vs. 15.7 percent), and state and community colleges (25.1 vs. 14.2 percent). The differences between "yes" and "no" voters' preferences for user-charge financing are small for other services.

Finally, among those who want to shift financing responsibility to the state government, state income taxes are overwhelmingly preferred to state sales taxes. Of the 37 percent expressing a prefernce for more state funding of elementary and secondary education, for example, those preferring the use of state income taxes exceed those preferring use of state sales taxes by more than 3 to 1. This pattern holds for other services as well, with the income tax being preferred 4 to 1 for special education, and more than 4 to 1 for mental health programs.

Additional insights into people's feelings about financing arrangements emerge from several attitude questions. The table below shows that both "yes" and "no" voters are concerned about rapidly rising property taxes.

A striking 78 percent of all respondents disagree a lot or a little with the statement "It's OK for property taxes to grow as fast as the cost of living." There are at least two explanations for this attitude. First, even if everyone's pretax income grew as fast as prices, incomes net of federal income taxes would grow more slowly than prices because inflation pushes people into higher tax brackets. As a result, if property taxes increased as fast as prices, after-tax incomes would not grow as fast as property taxes. Second, inflation-induced increases in property taxes can present serious financial problems for households whose incomes do not rise as fast as inflation.

That Massachusetts heads of households want to restrain the rate of growth of property taxes also shows up clearly. More than 77 percent of the respondents believe that state government should give more money to the cities and towns so local property taxes can be kept down. It should be noted, however, that respondents were not asked whether this state money should come from new state taxes or reductions in other state expenditures.

Finally, 58.1 percent of the respondents disagree with the view that taxpayers in wealthy cities and towns should help pay for services in poorer cities and towns. Moreover, supporters of Proposition 2½ disagree more strongly with this view than opponents do. Taken together, this suggests that the desire for more state aid reflects the desire to restrain the growth of property taxes more than the desire to spread the burden of financing local public services more evenly across jurisdictions.

ATTITUDES TOWARD TAXES AND INTERGOVERNMENTAL RELATIONS

	Disagree a lot	Disagree a little	Agree a little	Agree a lot
It's OK for property taxes to rise as fast as the cost of living.	45.7%	32.3%	16.8%	5.2%
Voted for Prop. 2½	50.0	31.4	13.8	4.8
Voted against Prop. 2½	40.3	34.1	19.2	6.4
State government should give more money to the cities & towns so local property taxes can be kept down.	6.8	16.0	40.4	36.8
Voted for Prop. 2½	9.0	15.9	39.1	36.0
Voted against Prop. 2½	5.5	17.5	39.3	37.7
Tax payers in rich cities & towns should help pay for services in poorer cities & towns.	30.0	28.2	28.9	12.9
Voted for Prop. 2½	37.5	27.9	25.4	9.2
Voted against Prop. 2½	23.3	28.7	34.1	13.9

Note: Percentages add to 100 across rows.

Section III

EXPLAINING THE VOTE

In Section I, we discussed people's knowledge of and expectations about Proposition 2½. In Section II we reported what people in Massachusetts want in the way of changes in public services, financing arrangements, and government operations, independent of Proposition 2½. This section combines the two parts to determine why people voted for or against the measure. The discussion is organized around three potential motivations: the desire for a smaller public sector, the desire for tax reform and the desire for changes in the way government operates.

A. Smaller Public Sector

We define the size of the public sector in terms of service levels rather than spending levels. This distinction is important; as discussed above, many of our respondents want to reduce government spending and taxes at the same time that they want to maintain current service levels.

Table III-1 summarizes our findings about people's desires and expectations for a smaller public sector. Since this is the first of a series of similar tables, we will explain in some detail how we constructed the table.

Based on our survey questions, we established criteria to determine whether a respondent shows evidence of desiring or expecting service cutbacks. These criteria are sometimes based on the responses to a single question; in other cases, they refer to responses to a combination of questions.[1]

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1. The percentages reported in Tables III-1 through III-5 may differ slightly from those reported in earlier tables. The percentages for tables in this section are based on all interviews while percentages in earlier tables are based only on the number of people responding to a particular question. Table entries in this section are based on 1586 total respondents, 721 "yes" voters, and 522 "no" voters.

1. Expect Proposition 2½ to reduce size of public sector: We categorize respondents as expecting Proposition 2½ to reduce the size of the public sector if:
   - they state that service cutbacks are the single most important change OR
   - they indicate that their community services will be cut back (a little or a lot), OR
   - in telling us how much they expect each of the 15 specific services (police, fire, etc.) to be cut back under Proposition 2½, they indicate that, on average, they expect service reductions.

2. Prefer a smaller public sector: We define respondents as preferring a smaller public sector if they want to cut back (a little or a lot) either state or local services, providing that they do not want an offsetting increase in the other type of service.

3. Strongly prefer a smaller public sector: We define respondents as strongly preferring a smaller public sector if they want to cut back (a little or a lot) both locally provided and state-provided public services.

Once the criteria are established, it is a simple matter to determine the number of respondents in each category. In the first column, we report the percentage of total respondents in each of the categories. For example, the table shows that 10.7 percent of the total respondents both strongly prefer and expect Proposition 2½ to lead to a smaller public sector. The second and third columns report the percentages of "yes" and "no" voters in each category. We should note that our definitions are somewhat arbitrary; different criteria, however, yield only slightly different percentages.

Table III-1 reinforces our findings. Most people polled expect Proposition 2½ to require service cutbacks, but only a third of all respondents appear to want a reduced level of public services. To avoid misinterpretation, we emphasize that the criteria we used to determine whether a respondent expects service cutbacks do not distinguish between those who expect small-scale cutbacks in a few services, and those who

Table III-1

SMALLER PUBLIC SECTOR:
PREFERENCES AND EXPECTATIONS[a]
By Vote on Proposition 2½

	Total Respondents	Vote on Proposition 2½ Yes	No
Expect Proposition 2½ to reduce size of public sector	90.0%	88.2%	96.4%
Prefer a smaller public sector	33.7	48.3	20.1
--and expect a smaller public sector	31.4	44.7	19.9
--but do not expect a smaller public sector	2.3	4.1	0.2
Strongly prefer a smaller public sector	11.2	18.7	4.0
--and expect a smaller public sector	10.7	17.8	4.0
--but do not expect a smaller public sector	0.5	0.9	0.0

[a]See text for definitions of variables.

expect major disruptions. As noted in section I, at least half the respondents do not expect cutbacks in basic services such as police and fire protection and garbage pickup.

Although the vast majority of Massachusetts residents apparently do not want to decrease the size of government, preferences for and expectations of a smaller public sector probably account for some of the favorable vote on Proposition 2½. At the same time, fears of a smaller public sector apparently led many voters to oppose the Proposition.

We base these conclusions on differences between the "yes" and "no" voters. The proportions of "yes" voters (44.7%) who both prefer a smaller public sector and expect Proposition 2½ to lead to that outcome is more than twice the proportion of "no" voters (19.9%) holding the same views. Similarly, the proportion of "yes" voters (17.8%) who strongly prefer a smaller public sector and expect Proposition 2½ to reduce the size of the public sector is more than four times the proportion of comparable "no" voters (4.0%).

We are impressed by the relatively small proportion of "yes" voters who want service cutbacks at both the state and local levels (18.7%). In fact, less than half the "yes" voters want service cutbacks at any level of government. This suggests that the desire for a smaller public sector was neither the only nor the dominant motivation behind the favorable vote on Proposition 2½.

B. Tax Reform

Alternatively, people may have voted for Proposition 2½ to achieve tax reform. We have defined tax reform in two ways -- as a shift away from local property taxes to heavier reliance on state taxes (referred to

as specific tax reform) and as a shift away from local property taxes to heavier reliance on other taxes or fees (referred to as general tax reform). The element common to both is reduction in property taxes.

Table III-2 presents the specific tax reform results. Respondents are classified as follows:

1. Expect Proposition 2½ to shift burden to state taxes. Respondents who expect property taxes to fall and who believe that either state sales or income taxes will be increased.

2. Prefer shift to state taxes (education). Respondents who want a greater share of funding for public elementary and high school education to come from state income or sales taxes.

3. Prefer shift to state taxes (for at least one local service). Respondents who want a greater share of funding to come from state income or sales taxes for at least one of the following services: public elementary and high school education, special education, fire, police, support of local public transportation, regular garbage pickup, street and sidewalk repair, public parks and recreation facilities, adult education or after school programs.

The table shows first that "yes" voters are more likely than "no" voters to expect Proposition 2½ to shift the burden to state taxes (65.5% vs. 58.4%). This finding appears to conflict with our earlier statement in Section II-D that "no" voters are more likely than "yes" voters to expect higher income or sales taxes. But the findings can be reconciled by noting that many of the "no" voters do not expect Proposition 2½ to reduce property taxes. In other words, many of the "no" voters expect an increase in state taxes without a shift away from local taxes.

Because education expenditures are such a large portion of local budgets, we singled out preferences for financing elementary and secondary education. Only 33.1 percent of the "yes" voters and 36.2 percent of the "no" voters want to shift to more state financing of public schools. Because "yes" voters are more likely than "no" voters to expect Proposition 2½ to shift tax burdens to the state, however, slightly more "yes" voters than "no" voters (22.6% vs. 18.6%) both want and expect tax reform of this type.

Table III-2

SPECIFIC TAX REFORM--SHIFT BURDEN TO STATE TAXES:

PREFERENCES AND EXPECTATIONS

By Vote on Proposition 2½

	Total Respondents	Vote on Proposition 2½ Yes	No
Expect Proposition 2½ to shift burden to state taxes	61.2%	65.5%	58.4%
Prefer shift to state taxes (education)	36.2	33.1	36.2
--and expect shift to state taxes	21.5	22.6	18.6
--but do not expect shift	14.7	10.5	17.6
Prefer shift to state taxes (at least one local service)	86.4	84.3	88.5
--and expect shift to state taxes	53.9	56.3	51.7
--but do not expect shift to state taxes	32.5	28.0	36.8

[a] See text for definitions of variables.

These small differences between"yes" and "no" voters suggest that preferences for and expectations about education finance reform do not add much to our understanding of why Proposition 2½ passed.

To what extent did the desire to change the way any of a number of local public services are financed influence the vote? The percentage of people favoring tax reform increases dramatically when we broaden the definition to include people who want to shift tax burdens to the state for at least one of several local public services. According to this definition, 86.4 percent of all respondents want tax reform. The patterns of preferences and expectations for "yes" and "no" voters, however, is similar to what we found when we looked at preferences for changing education financing. "No" voters are slightly more likely than "yes" voters to prefer a shift to state taxes; because of different expectations about the effects of Proposition 2½, "yes" voters are only slightly more likely than "no" voters to both want and expect tax shifts. Thus, it is difficult to distinguish the "yes" voters from the "no" voters on the basis of this specific tax reform issue.

To further explore the topic of tax reform, we define a set of general tax reform categories -- preferences and expectations for property tax reductions offset by additional taxes and fees.

1. Expect Proposition 2½ to reform tax structure: Those who expect property taxes to fall and who believe that one or more of the following outcomes will occur: state income or sales taxes will be increased; state aid for cities and towns will be increased, or the legislature will be encouraged to reform Massachusetts taxes. Alternatively, respondents could mention tax reform or tax shift as the single most important impact of Proposition 2½.

2. Prefer tax reform: Those who want a greater share of funding to come from state income or sales taxes, charges or other revenues for at least one local public service.

Table III-3

GENERAL TAX REFORM:

PREFERENCES AND EXPECTATIONS[a]

By Vote on Proposition 2½

	Total Respondents	Vote on Proposition 2½ Yes	No
Expect Proposition 2½ to reform tax structure	79.0 %	89.9 %	65.1 %
Prefer tax reform	95.3	95.7	95.0
-- and expect tax reform	75.6	86.1	61.5
-- but do not expect tax reform	19.7	9.6	33.5

[a] See text for definitions of variables.

Most Massachusetts residents want general tax reform (see Table III-3). "Yes" and "no" voters have similar preferences for general tax reform but have different expectations about the effects of Proposition 2½. Eighty-six percent of the "yes" voters prefer and expect general tax reform, while only 61.5 percent of the "no" voters hold similar views. These findings suggest that the interaction of preferences and expectations about general tax reform differentiates "yes" voters from "no" voters and consequently explains some of the support for Proposition 2½.

From a policy perspective, it would be useful to know what voters mean by tax reform. Respondents generally, and "yes" voters in particular, want to reduce property taxes. There is no consensus, however, about alternative revenue sources. Some people want to shift away from property taxes to state taxes. Others want to increase fees on users of servies.

C. Changes in the Way Government Operates

Finally, people may have voted for Proposition 2½ in protest against the inefficiency, corruption, and waste they perceive in Massachusetts government. In section II, we noted the large proportion of Massachusetts heads of households who believe inefficiency and corruption are common at both the state and local levels. In this section we combine these perceptions with voters' expectations about whether Proposition 2½ will induce change.

Tables III-4 and III-5 portray major differences between "yes" and "no" voters in both their perceptions of inefficiency and their expectations about the effects of Proposition 2½. Table III-4 refers to local government inefficiency while Table III-5 refers to inefficiency and corruption at both the state and local level.

Referring first to Table III-4, we define the variables as follows:

1. Expect Proposition 2½ to make local government more efficient. Respondents expect Proposition 2½ to make local government more efficient if they agree a lot or a little with the statement "Proposition 2½ will make local government more efficient."

2. Perceive local inefficiency. We define a perception of local inefficiency by a response of 5 or more percent to the question of how much the respondent believes spending on local public services can be cut back without cutting services.

3. Perceive much local inefficiency. This definition is similar to that of "perceive local inefficiency," except the cutoff is increased to a response of 15 percent.

Table III-4 shows first that "yes" voters are much more likely than "no" voters to expect Proposition 2½ to make local government more efficient. This merely restates findings from Section I. The table also shows that "yes" voters are substantially more likely than "no" voters to believe that local government is inefficient.

Combining expectations and beliefs widens differences between "yes" and "no" voters. While 63.3 percent of the "yes" voters perceive some inefficiency and expect change, only 22.6 percent of the "no" voters hold similar views. In contrast only one in nine "yes" voters (11.0%) compared to almost one in four "no" voters (22.6%) perceives some inefficiency but does not expect change. These findings support the hypothesis that people's perceptions and expectations about the inefficiency of local government played an important role in the overall vote.

Table III-5 presents similar results for a more broadly defined concept of inefficiency and corruption. For this table we categorize respondents as follows:

1. Expect Proposition 2½ to reduce inefficiency and corruption: Respondents who either agree (a lot or a little) with the statement that Proposition 2½ will make local government more efficient or who mention increased efficiency, responsibility or less corruption as the single most important impact of the tax limitation measure.

Table III-4

LOCAL PUBLIC SECTOR INEFFICIENCY:

PERCEPTIONS AND EXPECTATIONS[a]

By Vote on Proposition 2½

	Total Respondents	Vote on Proposition 2½	
		Yes	No
Expect Proposition 2½ to make local government more efficient	63.4%	82.7%	37.7%
Perceive some local inefficiency	63.7	74.6	46.4
-- And expect change	46.0	63.6	22.6
-- but do not expect change	17.7	11.0	23.8
Perceive much local inefficiency	47.9	57.4	31.8
-- and expect change	34.8	48.5	19.1
-- but do not expect change	13.1	8.9	16.0

[a] See text for definitions of variables.

2. Perceive inefficiency and corruption: Respondents perceive inefficiency and corruption if the sum of their stated percentage of possible spending cutbacks for local and state government without service cutbacks is greater than or equal to ten percent and they agree that corruption is common in their local government or state government.

3. Perceive much inefficiency and corruption: Similar to the definition of some inefficiency, except that the cutoff for possible amount of spending cuts is increased to 20 percent.

This table repeats the findings of the previous table on local government inefficiency: "yes" voters are much more likely than "no" voters to perceive general inefficiency and corruption and to expect Proposition 2½ to improve the situation. Regardless of the definition used, over 70 percent of the "yes" voters -- in contrast to about 30 percent of the "no" voters -- hold such views. We note again that a substantial portion of "no" voters (39.5 or 33.9 percent) perceive inefficiency and corruption but do not expect Proposition 2½ to improve the situation.

We conclude that Massachusetts voters are very concerned about widespread inefficiency and corruption. The "no" voters are concerned more about waste, inefficiency, and corruption in state government. "Yes" voters typically believe such problems occur in both state and local government. Because "yes" voters are much more likely than "no" voters to believe Proposition 2½ will lead to more efficient government, we conclude that expectations about increased government efficiency explain a large proportion of the vote on Proposition 2½.

Table III-5

INEFFICIENCY AND CORRUPTION:
PERCEPTIONS AND EXPECTATIONS[a]

By Vote on Proposition 2½

	Total Respondents	Vote on Proposition 2½ Yes	No
Expect Proposition 2½ to reduce inefficiency and corruption	66.6%	86.7%	40.6%
Perceive some inefficiency and corruption	80.0	86.1	71.1
-- and expect change	55.9	75.3	31.6
-- but do not expect change	21.1	10.8	39.5
Perceive much inefficiency and corruption	73.8	80.4	63.6
-- and expect change	52.5	70.3	29.7
-- but do not expect change	21.3	10.1	33.9

[a] See text for definitions of variables.

D. Summary

Section III is organized around three main issues -- size of the public sector, financing arrangements, and government operations. In connection with each, two questions arise: To what extent do Massachusetts residents want change? And, to what extent do views about the three issues explain how people voted on Proposition 2½?

We find that most Massachusetts residents do not want to reduce the size of the public sector. Respondents would, however, like to make government more efficient and less corrupt. In addition, they want changes in the way public services are financed. While they agree that lower property taxes would be desirable, they disagree about the best alternative revenue source.

To understand why people voted for or against Proposition 2½, voters' preferences for change must be combined with their expectations about what Proposition 2½ would do. Large differences between "yes" and "no" voters in preferences and expectations on a given issue imply that the issue influenced the voting outcome.

While there is considerable interest in tax reform, "yes" voters are only somewhat more likely than "no" voters to both want and expect tax reform. The small size of the differences suggests that interest in tax reform is not the major issue differentiating the "yes" and "no" voters.

The issue of public sector size differentiates "yes" and "no" voters more clearly. "Yes" voters are more likely than "no" voters to simultaneously want and expect a smaller public sector. The relatively small percentage of "yes" voters wanting service reductions, however, suggests that, while important in differentiating yes and no voters, this is not the major issue motivating the "yes" vote.

The dominant issue appears to be concern about government inefficiency and corruption. Both "yes" and "no" voters want more efficient and responsible government. We find dramatic differences between "yes" and "no" voters on this issue, however, because "yes" voters were much more likely than "no" voters to expect Proposition 2½ to make government more efficient and responsible. This expectation of increased efficiency helps explain "yes" voters' beliefs that Proposition 2½ could provide reductions in taxes and spending without large-scale service reductions.

These findings imply that a major component of the policy response to Proposition 2½ ought to focus on making government more productive. As is now becoming apparent, however, the views held by many of the "yes" voters about the potential for efficiency gains may have been unrealistic. These unrealistic expectations complicate enormously the policy choices that public officials must now make in response to Proposition 2½.

We end with a word of caution. More powerful statistical techniques are needed to completely sort out the different factors influencing the vote on Proposition 2½. For example, many people wanting tax reform may have voted against the Proposition because they feared massive service reductions. By looking at tax reform, service levels and government operation separately, as we have done in this paper, we may have missed some of the interrelations among these three concerns. Preliminary estimation of more complete voting models suggests, however, that subsequent analysis will refine, but not basically alter, the conclusions of this study.

Appendix A

SAMPLING PLAN

A total of 1,561 interviews were administered to male and female household heads selected by a state-wide stratified random cluster sampling plan.

The sample was drawn as follows. First, each of the 351 Massachusetts cities and towns was grouped into one of 15 cells, based on four property-wealth and four expenditure categories.[1] We consolidated the two cells defined by the highest wealth and the two lowest expenditure levels because of the small proportion of the state's population they represent. We assigned a quota of interviews to each of these 15 cells in proportion to the percentage of the state's population residing in that cell.[2] This assured that interviews would be spread proportionately across communities characterized by the full range of property wealth and expenditure levels.

For a variety of analytical and practical reasons, we clustered our interviews in randomly selected cities and towns rather than spreading them randomly across each cell. Before selecting the clusters, each cell was divided into two or more substrata defined by population size and the percentage of owner-occupied housing. Grouping cities and towns along these four dimensions (per capita property wealth, per capita expenditure, population size and percent of owner-occupied housing) assured that our clusters were selected from groups of relatively homogeneous cities and towns. Interviews were assigned to each substratum approximately in proportion to population. All towns and cities with more than 2500 residents were listed alphabetically by substratum and given one chance to be selected for each 5000 residents.[3] Using a random number table, we selected clusters of 5,000 residents. This procedure allowed larger cities to be randomly selected as cluster points more than one time. In general, 25 interviews were allo-

cated to each cluster point. In some cases, we allocated fewer than 25 in order to obtain a reasonable distribution of interviews across substrata within any given wealth/expenditure stratum.

In each randomly selected city or town, telephone numbers were selected in a two stage process. First, the initial four digits of exchanges currently in use were selected in proportion to their number in the total population of telephone numbers. This screening process minimized the amount of time spent dialing numbers that were not in use. In the second stage a random number process assigned the last three digits to the four-digit stem. As a result, all telephone numbers in use in the jurisdiction, not merely publicly listed numbers, had an equally likely chance of being selected for our sample.

The numbers selected in this manner, called starting points, were given to professional interviewers. If no interview was obtained at the starting point number, the interviewer added 10 to the original telephone number and made another attempt. This process of adding 10 to the telephone number was repeated up to four times until five attempts had been made to obtain an interview based on the starting point number. If no interview was completed after the use of five variations of the original number, another starting point number was drawn.

In the final stage of the sampling process, we selected individual respondents in each household. Interviews were restricted to male and female household heads. We excluded other voting-age household members because the purpose of the study is to focus on the behavior, preferences and orientation of household members most concerned with property tax payments. We divided interview evenly amoung men and women. Male or female respondents were randomly selected after initial contact with the household had been made.

Table A1 shows the fifteen strata, the 58 cities and towns in which interviews were conducted, and the number of interviews we planned to conduct in each of these towns. In a few cases, the actual number of interviews conducted differs slightly from the quotas listed on the table. In one case, the difference is substantial; only 25 of the 55 interviews planned for Salem were conducted. In the analysis, each Salem respondent was given a weight of two. As a result, the percentages presented in this report are based on 1,586 rather than 1,561 respondents.

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[1]The categories were developed by the Massachusetts Taxpayers' Foundation for simulations of the effects of alternative tax limitation measures. The percapita wealth and expenditures are based on 1976 population figures.

[2]We would have preferred to allocate interviews among strata in proportion to the number of resident households rather than in proportion to population, but 1980 Census data on households were not available.

[3]Because the census does not gather data on the social and economic characteristics of small towns, additional information to supplement that gathered in the personal interview is not available. These small towns comprise only 1.7 percent of the state's population.

Table A-1
STRATIFIED RANDOM CLUSTER SAMPLE—
QUOTA OF INTERVIEWS IN EACH RANDOMLY SELECTED TOWN/CITY[a]
By Per Capita Expenditure and Per Capita Wealth Categories

	Per Capita Wealth							
	I(less than $10,771)		II($10,771-$13,906)		III$13,906-$18,160)		IV(more than $18,160)	
Per Capita Expenditure	CITY/Town	# of Interviews	CITY/Town	# of Interviews	CITY/Town	# of Interviews	CITY/Town	# of Interviews
I (less than $625)	Clinton	25	Swansea	25	Groton	20	Yarmouth	25
	Dudley	25						
	Halifax	25						
	LEOMINSTER	25						
II ($625-$717)	Bellingham	20	Pembroke	25	Dartmouth	25		
	FALL RIVER	25	Westfield	25	Westport	25		
	Greenfield	20	W.Springfield	25				
	HOLYOKE	25						
	Lawrence	25						
	MALDEN	50						
	MEDFORD	25						
	NEW BEDFORD	25						
	NORTHAMPTON	20						
	Oxford	20						
III ($717-$838)	BROCKTON	25	Arlington	25	Dedham	25	Lincoln	20
	MELROSE	25	ATTLEBORO	25	E.Longmeadow	25	Lynnfield	10
	REVERE	25	BEVERLY	25	Waltham	25		
	SPRINGFIELD	50	Framingham	25				
			Randolph	25				
			Tewksbury	25				
			Wakefield	25				
IV (more than $838)	BOSTON	150	PEABODY	25	Braintree	25	Andover	25
	CAMBRIDGE	25	QUINCY	25	Brookline	15	EVERETT	10
	CHELSEA	15	SALEM	55	NEWTON	30	Needham	25
	HAVERILL	20			Sharon	25	Orleans	25
	LYNN	21			Walpole	25	Provincetown	20
	WORCESTER	42					Somerset	25

a. In a few cases, the actual number of interviews differs slightly from the quotas listed in the table. In one case, however, the difference is substantial. Only 25 of the 55 interviews planned for Salem were conducted.

Appendix B

QUESTIONNAIRE AND INTERVIEWING

The questionnaire on which this report is based includes questions in each of the following areas:

I. PROPOSITION 2½
   - A. How did respondents vote on Proposition 2½? If Proposition 2½ had been a constitutional amendment, would they have voted differently? How would non-voters have voted? How did respondents vote on Question 3?
   - B. Anticipated effects of Proposition 2½? What did respondents think the overall effect of Proposition 2½ would be on taxes, governmental efficiency and state aid? How would it affect certain specific services such as police and education? How would it affect the taxes paid and services used by the respondent's household?
   - C. Knowledge of Proposition 2½? What did respondents know about the provisions of Proposition 2½?

II. PUBLIC SERVICES
   - A. Perception of the overall level of public services. How do respondents think their public services compare with those provided in other towns, in other neighborhoods in the same jurisdiction, and in their jurisdiction two years ago?
   - B. Desired public service levels. Compared to the level of state and local public services currently provided, what level would respondents prefer--both for services in general and for a number of specific services?

III. FINANCE ISSUES
   - A. Perceptions of costs. How aware is respondent of direct and indirect property tax burdens?
   - B. Awareness of current financing arrangements. What proportion of the costs of a variety of services does respondent think are financed by property taxes?
   - C. Desired financing arrangements. Do respondents desire changes in the method of financing various public services? For each specific service, would they prefer increases in the proportion financed by user charges or state income or sales taxes?
   - D. Desired tax and spending levels. What percentage changes do respondents desire in total taxing and spending levels for overall state, municipal and school services?

IV. EFFICIENCY IN PUBLIC SERVICE DELIVERY

A. Perception of inefficiency. To what extent does respondent perceive state and local government to be inefficient and corrupt?

B. Amount of inefficiency. How much does respondent think services in general and certain specific services could be cut back without significantly affecting the quality and quantity of the services provided?

V. BENEFICIARIES OF PUBLIC SERVICES

A. Service usage. Which public services does respondent's household use?

B. Perception of other beneficiaries. To what extent does respondent think that members of certain groups currently receive their fair share of public services for the taxes they pay? Do certain groups benefit more now than they did in the past?

VI. ATTITUDES TOWARD GOVERNMENT AND TAXES

A. Attitudes toward taxes and finance arrangements. What is respondent's attitude toward various forms of taxes and service finance arrangements?

B. Perception of appropriate government role. What does respondent think the appropriate role of government is in a free enterprise economy? How much should citizens expect from their government?

VII. RESPONDENT CHARACTERISTICS

A. Demographic characteristics. What is respondent's educational level, occupation, family composition, income, race and religion?

B. Perception of financial well-being. Are respondents better off now than they were in the past? Do they expect to be better off in the future?

C. Housing characteristics. What kind of housing does respondent live in? What are the market and assessed values of owner-occupied housing and how much rent is paid for rental housing?

The interviewing was conducted for us by Lieberman Research Suburban, Inc. A pretest the weekend before the election indicated that respondents understood and could answer all questions but that the survey took an average of 51 minutes to complete. As a result, we eliminated or rewrote a number of questions.

Lieberman Research, Inc., began the final interviewing on Thursday, November 6. After approximately 500 interviews were completed, we discovered that the questionnaire was still too long, taking approximately 45 minutes to complete. Hence, we eliminated additional questions while the interviewing was in progress. The final shortened questionnaire took approximately 30 minutes to complete. All interviews were administered within approximately two weeks of the election.

Appendix C

DEMOGRAPHIC CHARACTERISTICS OF SAMPLE AND SUBSAMPLE

Most findings presented in this report are based on data from the total number of respondents interviewed. Some findings, however, are based on data from a subsample of respondents. The first 501 respondents interviewed make up the subsample. As explained in Appendix B, after these 501 respondents were interviewed, we discovered that our interview was taking too long to administer. We eliminated several questions to save time. Consequently some information obtained from this subsample of 501 respondents was not obtained from those interviewed later.

	Total Respondents (1,586)	Subsample (501)
Vote On Proposition 2½		
Yes	45.5%	45.3%
No	32.9	33.2
Didn't vote	21.6	21.5
Sex[1]		
Male	49.7	44.2
Female	50.3	55.8
Age		
16-24 years	9.8	8.8
25-44 years	49.8	51.2
45-64 years	29.7	29.6
65 and over	9.7	8.2
No answer	1.0	2.1
Average age	41.8 years	41.8 years
Education		
Less than high school degree	11.2	11.9
High school degree (including trade school)	33.0	33.6
Some college	20.6	21.1
College graduate or more	31.7	29.5
No answer	3.5	3.8
Occupation[2]		
Manager, professional, technical	50.9	51.8
Clerical and sales	21.8	22.8
Blue collar	15.6	14.1
Service	10.4	10.3
Farming	0.6	0.4
No answer	0.7	0.7

[1] A quota of half males and half females was purposely set for this study.

[2] Includes last occupation of respondents who are retired or not working.

Appendix C (Continued)

DEMOGRAPHIC CHARACTERISTICS OF SAMPLE

	Total Respondents (1,586)	Subsample (501)
Government Worker		
Public schools	6.1%	6.7%
Town/city government	7.6	7.3
State/county government	3.6	4.1
Federal government	4.1	2.9
Not a government worker	78.6	79.0
Income		
$10,000 or less	11.2	9.4
$10,001 to $20,000	23.3	24.0
$20,001 to $30,000	19.3	21.7
$30,001 or more	15.0	15.0
Refused	31.2	29.9
Average income	$24,115	$24,550
Marital Status		
Single	16.7	13.4
Married	66.6	68.2
Widowed, divorced or separated	15.4	16.5
Other	1.3	1.9
Number in Household	3.1	3.2
Race		
White	94.0	94.1
Black	2.6	2.3
Hispanic	2.3	1.7
Other	1.1	1.9
Religion		
Catholic	49.2	47.0
Protestant	28.6	31.7
Jewish	5.8	5.6
Other	6.9	7.5
No preference	9.5	8.2
Tenure		
Own	62.7	66.2
Rent	34.8	30.9
Other	1.7	1.9
Refused	0.8	1.0
Current Market Value (Owners Only)	$64,518	$63,575
Assessed Value (Owners Only)	$38,616	$39,869
Last Year's Property Taxes (Owners Only)	$ 2,158	$ 1,836
Monthly Rent (Renters Only)	$ 324	$ 324

Appendix C (Continued)

DEMONGRAPHIC CHARACTERISTICS OF SAMPLE

	Total Respondents (1,586)	Subsample (501)
Number of Years Lived in Massachusetts	33.4	34.5
Number of Years Lived in City/Town	19.7	19.8
Municipality Type		
Boston	9.7%	1.7%
Cities other than Boston	40.2	38.4
Towns	50.1	59.9
Services Household Uses Regularly		
Adult education	20.7	21.9
Special education	8.3	9.8
State and community colleges and universities	21.8	21.7
Local public transportation	41.0	34.9
Local public parks and recreation facilities	59.6	59.9
Mental health programs	5.0	4.4
Welfare or other public assistance programs	7.9	7.3
Services for the elderly	4.7	4.8
After school programs	18.9	22.3
Public school	32.7	35.7